

SIPC v BLMIS

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES INVESTOR PROTECTION
CORPORATION,

No. 08-01789(SMB)

Plaintiff,

SIPA LIQUIDATION

v.

(Substantively

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Consolidated)

Defendant.

In re:

BERNARD L. MADOFF,

Debtor.

IRVING H. PICARD, Trustee for the Adv. Pro. No.
Substantively Consolidated SIPA 10-04846
Liquidation of Bernard L. Madoff
Investment Securities LLC and
Bernard L. Madoff,

Plaintiff,

1 v.

May 16, 2016

NORMAN BLUM,

Defendant.

* * *
CONFIDENTIAL VIDEOTAPED DEPOSITION
OF JOEL ALAN BLUM, M.D.

* * *

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<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5 TRANSCRIPT of testimony as reported by DENISE D.</p> <p>6 VICKERY, CRR/RMR, and Notary Public of the</p> <p>7 District of Columbia, at the offices of Baker &</p> <p>8 McKenzie LLP, 815 Connecticut Avenue, NW,</p> <p>9 Washington, DC, on May 16, 2016, commencing at</p> <p>10 1:39 p.m.</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25 A P P E A R A N C E S</p>	<p>1 WITNESS PAGE</p> <p>2 JOEL ALAN BLUM, M.D.</p> <p>3 Examination by Ms. Fein.....6</p> <p>4 Examination by Mr. Kirby.....70</p> <p>5 Further Examination by Ms. Fein.....80</p> <p>6</p> <p>7</p> <p>8</p> <p>9 E X H I B I T S</p> <p>10</p> <p>11 IDENT. DESCRIPTION PAGE</p> <p>12</p> <p>13 Trustee 12 Undertaking and Consent To Be</p> <p>14 Bound.....10</p> <p>15 Trustee 13 Notice of Deposition.....10</p> <p>16 Trustee 14 Declaration of Joel A. Blum, M.D....14</p> <p>17 Trustee 15 Folder 1B0186 - 30/40 Joel A. Blum</p> <p>18 & Kerry E. Blum J/TWROS</p> <p>19 MADTB03076939 to 956.....31</p> <p>20 Trustee 16 11/30/90 CAB Trust MF00032473.....37</p> <p>21 Trustee 17 MADTB02386355 to 6398.....39</p> <p>22 Trustee 18 1B0189 - 30/40 Dr. Morris Blum,</p> <p>23 Living Trust AMF00156409 to 4469..54</p> <p>24</p> <p>25 Trustee 19 1B0191 - 30/40 Roslyn Blum</p> <p>AMF00156538, AMF00156515 to 537,</p> <p>AMF00156513.....59</p> <p>Trustee 20 Notice of Trustee's Determination</p> <p>of Claim April 15, 2016.....68</p> <p>P R O C E E D I N G S</p>
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<p>1</p> <p>2 BAKER HOSTETTLER, LLP</p> <p>3 45 Rockefeller Plaza</p> <p>4 New York, NY 10111-0100</p> <p>5 212.589.4621</p> <p>6 BY: AMANDA E. FEIN, ESQ.</p> <p>7 afein@bakerlaw.com</p> <p>8 AMY E. VANDERWAL, ESQ.</p> <p>9 avanderwal@bakerlaw.com</p> <p>10 For Irving H. Picard, Trustee</p> <p>11</p> <p>12 SECURITIES INVESTOR PROTECTION</p> <p>13 CORPORATION</p> <p>14 1667 K Street, NW, Suite 1000</p> <p>15 Washington, DC 20006-1620</p> <p>16 202.371.8300</p> <p>17 BY: KEVIN H. BELL, ESQ.</p> <p>18 kbell@sipc.org</p> <p>19 For SIPC</p> <p>20</p> <p>21 BAKER & MCKENZIE LLP</p> <p>22 815 Connecticut Avenue, NW</p> <p>23 Washington, DC 20006-4078</p> <p>24 202.452.7020</p> <p>25 BY: RICHARD A. KIRBY, ESQ.</p> <p>richard.kirby@bakermckenzie.com</p> <p>For the Witness</p> <p>ALSO PRESENT:</p> <p>Benjamin Kirsch, Videographer</p> <p>I N D E X</p>	<p>1</p> <p>2 ---</p> <p>3 THE VIDEOGRAPHER: We are now on</p> <p>4 the record.</p> <p>5 This begins videotape No. 1 in</p> <p>6 the deposition of Dr. Joel A. Blum in the</p> <p>7 matter of SIPC versus BLMIS.</p> <p>8 Today is May 16, 2016 and the</p> <p>9 time is 1:39.</p> <p>10 This is -- this deposition is</p> <p>11 being taken place at 815 Connecticut Avenue,</p> <p>12 Northwest, Washington, DC at the request of</p> <p>13 Baker Hostetler.</p> <p>14 The videographer is Benjamin</p> <p>15 Kirsch of Bendish Reporting and the court</p> <p>16 reporter is Denise Vickery of Bendish</p> <p>17 Reporting.</p> <p>18 Will the counsel and all parties</p> <p>19 present state their appearances and whom</p> <p>20 they represent.</p> <p>21 MS. FEIN: Amanda Fein, Baker &</p> <p>22 Hostetler, counsel for the Trustee.</p> <p>23 MS. VANDERWAL: Amy Vanderwal,</p> <p>24 Baker & Hostetler, counsel for the Trustee.</p> <p>25 MR. BELL: Kevin Bell,</p> <p>Securities Investor Protection Corporation.</p>

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<p>1 MR. KIRBY: Richard Kirby, Baker 2 & McKenzie, on behalf of the witness. 3 THE VIDEOGRAPHER: Will the 4 court reporter please swear in the witness. 5 --- 6 JOEL ALAN BLUM, M.D. 7 called for examination, and, after having been 8 duly sworn, was examined and testified as 9 follows: 10 EXAMINATION 11 BY MS. FEIN: 12 Q. Please state your name. 13 A. Joel Alan Blum. 14 Q. Good morning, Mr. Blum. 15 A. Good morning. 16 Q. My name is Amanda Fein. 17 A. Good morning. 18 Q. I'm here with my colleague, Amy 19 Vanderwal -- 20 MS. VANDERWAL: Hi. 21 BY MS. FEIN: 22 Q. -- and Kevin Bell from SIPC. 23 We're -- Amy and I are attorneys 24 for Irving Picard as Trustee for the specific 25 liquidation of Bernard L. Madoff Investment</p>	<p>1 Q. If I'm talking too fast or you 2 don't understand a question, please ask me to 3 repeat it or rephrase it, and I'd be happy to 4 do so. 5 A. (Nods head). 6 Q. And if at any time you need to take 7 a break, please let me know. I only ask that 8 you finish. If I have a question pending, that 9 you answer that question, and then we can take 10 a break after that. 11 A. (Nods head). 12 Q. And if you do not know the answer 13 to a question, no need for speculation. So 14 don't worry about guessing. Just please 15 provide me with the information that you do 16 know. 17 A. (Nods head). 18 Q. And your attorney may have spoken 19 to you about this already, but to the extent 20 that there is an objection, Mr. Kirby objects 21 from time to time, please do answer my question 22 unless you are instructed not to answer. 23 A. How does that work? If he objects? 24 Q. You can continue to answer. If he 25 objects -- I'm sorry. If he -- if he objects</p>
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<p>1 Securities, and we're first going to have a 2 quick explanation of the deposition process. 3 And I will ask questions to you, 4 and the court reporter will take down my 5 questions and your answers to them. 6 Those answers will be under oath, 7 just as if you were testifying in a courtroom, 8 and your testimony may be later used in this 9 proceeding. 10 Do you understand? 11 A. I do. 12 Q. And a few ground rules for today. 13 Please answer the question with an 14 audible answer, as a yes or no can be picked up 15 by the court reporter, but a nod or a shake of 16 the head cannot. 17 A. (Nods head). Okay. 18 Q. (Laugh). 19 A. As I nod my head. 20 Q. And another thing to make things 21 clear for the court reporter is, I'll do my 22 best not to speak over you, and if you can wait 23 until I finish asking a question to answer, 24 that would be helpful. 25 A. (Nods head).</p>	<p>1 and instructs you not to answer -- 2 A. I see. 3 Q. -- then you certainly do not have 4 to answer. 5 A. So he might object and let me 6 answer anyway? 7 Q. That's right. 8 A. Okay. I didn't realize that. 9 Q. And if at any time you think of 10 more information that applies to a question 11 that I've asked before, something comes to you 12 or you remember something after I've asked the 13 question, feel free to provide that information 14 as it comes to you. 15 A. Okay. 16 Q. I may use certain abbreviations 17 today when we're speaking. One of them is, I 18 may use BLMIS to refer to Bernard L. Madoff 19 Investment Securities. If I use Madoff, I'll 20 be referring to Bernard Madoff, the individual. 21 And if I refer to PW, I'm referring to profit 22 withdrawals. 23 A. Okay. 24 Q. So this deposition today is 25 governed by the litigation protective order</p>

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<p style="text-align: right;">Page 10</p> <p>1 entered into this proceeding, and I received 2 from you a signed copy of the Undertaking and 3 Consent to Be Bound. Thank you. 4 I'd like to mark that as our first 5 exhibit, which continuing after my colleague's, 6 Ms. Ackerman's, exhibits will be marked as 7 Exhibit 12. 8 (Document marked, for 9 identification purposes, as Trustee Exhibit 10 12.) 11 BY MS. FEIN: 12 Q. Are you on any medication today 13 that would impact your memory or affect your 14 ability to answer questions? 15 A. No, I'm not. 16 Q. Okay. Do you understand that you 17 are here pursuant to a deposition notice? 18 A. Yes, I understand that. 19 MS. FEIN: I'd like to mark that 20 deposition notice as Exhibit 13. 21 (Document marked, for 22 identification purposes, as Trustee Exhibit 23 13.) 24 BY MS. FEIN: 25 Q. And what did you do to prepare for</p>	<p style="text-align: right;">Page 12</p> <p>1 A. I have spoken with people about the 2 fact that I'm coming here, yeah. 3 Q. Have you spoken with anyone other 4 than providing them the information that you 5 were coming today? 6 A. No, that's -- that's basically been 7 it. 8 Q. Have you spoken to your brother 9 about your deposition today? 10 A. I have. 11 Q. Have you spoken with him since he 12 was deposed? 13 A. He called me on Friday afternoon 14 when I was on the golf course. 15 Q. What did you discuss? 16 A. He basically said that he felt that 17 it had gone okay. I had been advised not to 18 try to get into any details about that. So it 19 was a very brief conversation. 20 I explained to him I just hit a 21 pretty good shot, and I wanted to continue. It 22 was one of the few good shots of that day, by 23 the way. 24 Q. (Laugh). 25 A. So, yeah, I mean, it was like a</p>
<p style="text-align: right;">Page 11</p> <p>1 your deposition today? 2 A. I've had an opportunity to consult 3 with my counsel. I've had an opportunity to 4 review my declaration. I've had an opportunity 5 to review the notice. I forget exactly what 6 it's called now. The recent notification of 7 the offer for settlement. I forget what the 8 name of it is. 9 Q. A determination letter? 10 A. A determination letter. Okay. 11 And then I've also had the 12 opportunity to review the objection to that 13 determination letter that was submitted, I 14 think, on Friday. 15 Q. You mentioned that you met with 16 counsel; is that correct? 17 A. Yes. 18 Q. How long did you meet with counsel? 19 MR. KIRBY: Objection. That 20 calls for privileged information. I'll 21 instruct the witness not to answer. 22 BY MS. FEIN: 23 Q. And did you speak with anyone else 24 other than your counsel about today's 25 deposition?</p>	<p style="text-align: right;">Page 13</p> <p>1 one-minute conversation. 2 Q. Did you speak about anything else 3 other than what you've just described? 4 A. No. No, and we didn't talk after 5 that. 6 Q. You mentioned you reviewed a few 7 materials for today, including your 8 declaration, the determination letter you 9 mentioned, and the objection to the 10 determination letter. 11 Were there any other documents that 12 you reviewed in preparation for today? 13 MR. KIRBY: Objection to the 14 extent it calls for discussions with 15 counsel. 16 You may answer. 17 MS. FEIN: My question was 18 limited to documents only. 19 MR. KIRBY: Same -- same answer. 20 THE WITNESS: All right. So -- 21 MR. KIRBY: What documents he 22 discussed with counsel is privileged 23 information. 24 THE WITNESS: So -- 25 MR. KIRBY: So you don't discuss</p>

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<p>1 what you discussed with counsel, including 2 the documents you discussed with counsel. 3 THE WITNESS: Okay. 4 BY MS. FEIN: 5 Q. Do you understand that you are here 6 to testify today in connection with the issue 7 of profit withdrawals in the matter of the 8 Securities Investor Protection Corporation 9 versus BLMIS? 10 A. Yes, I do understand that. 11 Q. Did you enter a declaration in 12 connection with the Trustee's profit withdrawal 13 motion? 14 A. Gosh. I think wasn't that the 15 declaration that -- that we're talking about? 16 Yeah. (Laugh). 17 MS. FEIN: I'd like to enter 18 that declaration as an exhibit. It will be 19 Exhibit 14. 20 (Document marked, for 21 identification purposes, as Trustee Exhibit 22 14.) 23 BY MS. FEIN: 24 Q. And it is the declaration of Joel 25 Blum dated February 20, 2016.</p>	<p>1 other than counsel in order to prepare this 2 document? 3 A. No, I did not. 4 Q. We'll discuss this a little bit 5 more later on today, but for now you can put it 6 aside. 7 A. Okay. 8 Q. And you can put these aside also. 9 A. Together with this? 10 Q. Yes, sure. 11 So how did you first learn of 12 BLMIS? 13 A. I learned of it from my father, who 14 was investing many years ago. I forget 15 exactly, you know, when, but it was many years 16 ago. I know it was at least back to the 1980s. 17 How, you know, how or -- or when I first heard 18 about it I don't remember exactly, but I know 19 we talked about it. 20 Q. Do you know how your father found 21 out about BLMIS? 22 A. I believe that he found out from 23 the person who was then his brother-in-law, 24 whose name was Abe Hirschhorn. 25 Q. And is it your understanding that</p>
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<p>1 So if you can just take the chance 2 to look at it. 3 MR. KIRBY: Do you have a copy 4 of that? 5 MS. FEIN: I do, yes. 6 MR. KIRBY: Thank you. 7 BY MS. FEIN: 8 Q. Is this the declaration that you 9 recall executing? 10 A. It looks like it, yes. I think it 11 was. 12 Q. Is your -- oh. 13 A. I have to go through it. 14 Q. Is your -- sorry. 15 MR. KIRBY: Let him review the 16 document, please. 17 BY MS. FEIN: 18 Q. Of course. 19 A. (Reviewing document). This 20 certainly seems like the one that I submitted, 21 yes. 22 Q. Is your signature on the third page 23 of this document? 24 A. Yes, it is. 25 Q. Okay. Did you speak with anyone</p>	<p>1 Abe Hirschhorn knew Bernard Madoff? 2 A. That was my understanding, yes. 3 Q. Did anyone in your family know 4 anyone else from BLMIS prior to that? 5 A. I don't know. 6 Q. And when did you first come to 7 invest with BLMIS? 8 A. I didn't remember this at the time, 9 but on reviewing since then, my own initial 10 investment was, I believe, in 1984 and that was 11 an account called the CAB, whether it was a 12 trust or I'm not sure exactly the full title. 13 Q. Did you have any other accounts at 14 that time with BLMIS? 15 A. No. 16 Q. And did you have accounts with 17 BLMIS at a later time other than this CAB 18 account? 19 A. Well, the -- the other account is 20 the account, you know, the account that was my 21 account at the time of the -- when everything 22 collapsed. So that was a joint account with my 23 wife. That was established after my father's 24 death. 25 Q. So it sounds like there was, you</p>

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<p style="text-align: right;">Page 18</p> <p>1 recall, one account, the CAB account, opened in 2 the 1980s? 3 A. Yes. 4 Q. And then another account that you 5 opened with your wife that was opened at a 6 later point? 7 A. Yes. 8 Q. Are you aware that other family 9 members of yours also had their own BLMIS 10 accounts? 11 A. I am aware of that, yes. 12 Q. What accounts were you aware of? 13 A. Now, you know, the timing, you 14 know, I've become aware of more accounts than I 15 was aware of. 16 I did not -- I now am aware that my 17 father established an account for my mother 18 back in the 1980s, but I don't remember that at 19 the time. I didn't learn about that until much 20 later. Certainly until after she died in 1993. 21 So I knew about that account. 22 I knew that my brother had an 23 account. I don't know if it was one or more. 24 I knew that I had an uncle, who I think also 25 had an account. That would be Henry Blum.</p>	<p style="text-align: right;">Page 20</p> <p>1 Q. Okay. 2 A. And I suspect my conversation with 3 him would have been fairly close to when I 4 opened the account. So within a year of the 5 time that I opened the account. 6 Q. What do you recall of that 7 conversation? 8 A. Oh, I don't. I don't remember a 9 specific conversation. I'm just assuming that 10 once it came up, it is something that I would 11 not have really delayed for any length of time. 12 Q. Did your father recommend it as an 13 investment for you? 14 A. This was a very specific investment 15 to try to save for the education for my first 16 two children. So in 1984, they would have 17 been, you know, already 13 and 11. So it was 18 for their college. 19 Q. Did your father recommend BLMIS as 20 an investment to you for that purpose? 21 A. That was specifically, you know, 22 what that -- what that account was. That was, 23 you know, as much as I remember. I'm assuming 24 that that's what, but I don't remember that 25 conversation.</p>
<p style="text-align: right;">Page 19</p> <p>1 That's pretty much it. 2 I mean, there may have been some, 3 you know, because when Henry died, then I don't 4 know if his children also got accounts. 5 Q. Is it your understanding that your 6 father's account -- and your father is Morris 7 Blum; correct? 8 A. Morris Blum, yes. 9 Q. Was it your understanding that your 10 father's account opened around the same time as 11 your first account? 12 A. I suspect it was around that but 13 before. I mean, because he was the one who 14 advised me that this would be something that 15 would be a good thing for me to do. So when 16 exactly he started his I don't know, but it was 17 before I started mine. 18 Q. Do you recall around when you had 19 that conversation with your father? 20 A. No. (Laugh). No. 21 Q. Would you think it might be that 22 his account opened in the early 1980s then or 23 even prior to that? 24 A. I just don't know the answer to 25 that.</p>	<p style="text-align: right;">Page 21</p> <p>1 Q. Was it your understanding that your 2 father, Morris, thought it was a good 3 investment? 4 A. Yes. 5 Q. And was it your understanding that 6 he thought it would be a good investment for 7 you in terms of saving for your children's 8 college? 9 A. Yes. 10 Q. So you've identified two, let's 11 say, personal investments that you had with 12 BLMIS, which would be the CAB account and an 13 account for you and your wife; is that correct? 14 A. That's correct. 15 Q. For the CAB account, did you fill 16 out the account opening documents for BLMIS? 17 A. I must have, but I have no memory 18 of that. 19 Q. Is it your understanding that you 20 provided that information to BLMIS necessary to 21 open your accounts? 22 A. Again, I must have. Nobody else 23 would have done it for me, and the account got 24 opened. So I have to assume that I did it. 25 Q. And is your answer the same for</p>

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<p style="text-align: right;">Page 22</p> <p>1 your account for yourself and your wife? Would 2 you have been the person to open that account? 3 A. Yes. 4 Q. Do you recall opening that account? 5 A. I don't recall. I mean, I recall 6 when it happened, but I don't recall the steps 7 or the forms. And I think I have those forms 8 somewhere but I have, you know, I have never 9 reviewed that. 10 Q. To the extent there are forms that 11 you have in your possession, we would like to 12 request that those documents are produced. So 13 we'd like to make a formal request on the 14 record for those documents. 15 MR. KIRBY: I'll take it under 16 advisement. Thank you. 17 BY MS. FEIN: 18 Q. Do you recall who you spoke with at 19 BLMIS to undergo the account opening process? 20 A. I do not. 21 Q. Was there an employee of BLMIS that 22 you spoke with that you recall speaking to 23 about deposits and withdrawals? 24 A. The only people that I remember 25 speaking to, and it wasn't frequently, was --</p>	<p style="text-align: right;">Page 24</p> <p>1 monthly. 2 Q. Do you recall if you received any 3 other account documentation? 4 A. There would be batches of 5 transaction slips that would come in from time 6 to time. 7 Q. Anything else? 8 A. Aside from the account statements 9 and those batches? There may have been one or 10 two letters notifying me of some guidelines, 11 some legal thing or something having to do with 12 investing. 13 Q. For the time that you had accounts 14 open at BLMIS, did you receive customer 15 statements the entire time, or were there a 16 period of time that you recall not receiving 17 them? 18 A. I do not recall a time when I did 19 not receive them. 20 Q. And when you received the monthly 21 statements, did you review them? 22 A. A little bit. 23 Q. What would you review? 24 A. You know, mainly what I was 25 interested in was what was the value when I</p>
<p style="text-align: right;">Page 23</p> <p>1 is it Annette Bongiorno? 2 Q. Yes. 3 A. And Frank Pascali? Or DiPascali or 4 something like that. 5 So I think I spoke to both of those 6 people on occasion. I want to say that I spoke 7 to her more, but I didn't speak to any of them 8 frequently. 9 Q. What would be an occasion to speak 10 to either of them that you recall? 11 A. To request. If I was going to be 12 requesting some funds to be taken out. 13 Q. Do you recall speaking to an 14 individual named Jo Ann Sala? 15 A. I do not. That's not to say it 16 never happened, but I don't recall. 17 Q. For your -- the two accounts we've 18 been discussing, CAB and your account in the 19 name of you and your wife, did you receive 20 customer statements from BLMIS for those 21 accounts? 22 A. Yes. 23 Q. How often do you recall that you 24 received them? 25 A. I would believe they came in</p>	<p style="text-align: right;">Page 25</p> <p>1 started the month and what was the value at the 2 end. 3 Now, a number of these statements, 4 since the transactions didn't happen every 5 month, there wouldn't be much difference, but 6 certainly during the time where there were 7 active transactions I would want to see. 8 That's what I would be looking for. A lot of 9 it I didn't understand. Very complicated 10 stuff. 11 Q. When you say "transaction," what -- 12 what do you use that term to mean? 13 A. Well, these slips would be, you 14 know, there would be like 30 or 40 slips that 15 would say we bought this, we sold this, I mean, 16 it would be purchase and sale kinds of things. 17 Q. So purchase and sales transactions 18 are the types of transactions you're referring 19 to? 20 A. Yeah. 21 Q. Other than the CAB account and your 22 I'll call it -- can I call it your personal 23 account? The account that you held with your 24 wife? 25 A. Yeah, or J&K.</p>

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<p>1 Q. Did you review customer statements 2 for any other BLMIS accounts? 3 A. No. 4 Q. Did you understand that your family 5 members received customer statements for their 6 BLMIS accounts? 7 A. I guess I assumed. I mean, now I 8 know for sure. I assumed that they were having 9 the same experience that I was. 10 Q. Did you ever receive account 11 statements for any accounts other than the two 12 that we've discussed? 13 A. No, not that I recall. 14 Q. Did you ever have a reason to 15 question the information that was presented on 16 a customer statement to you? 17 A. You know, in retrospect, this is -- 18 this is a hard one. (Laugh). You know, 19 because you sort of wonder about how stupid you 20 were. 21 Q. At the time? 22 A. On the other hand, at the time I 23 don't remember. At the time it seemed, you 24 know, everything seemed to check out. 25 Q. Did you ever object to any</p>	<p>1 college, you received checks from BLMIS? 2 A. Yes. 3 Q. And that would be in connection 4 with the CAB account? 5 A. The CAB account. 6 Q. You mentioned that you had some 7 documentation for the checks in your personal 8 account; is that correct? 9 A. I do. 10 Q. We'd like to request the production 11 of that documentation, to the extent there is 12 documentation about receiving those checks, and 13 I'd like to make that a formal request on the 14 record. 15 MR. KIRBY: Take it under 16 advisement. 17 BY MS. FEIN: 18 Q. Do you recall ever requesting to 19 withdraw funds from your BLMIS accounts? 20 A. Yes. 21 Q. Who would you speak to about those 22 requests? 23 A. Oh, goodness. I'm not sure. I'm 24 -- I think it was Annette Bongiorno, but I'm 25 not sure. But what invariably would happen is</p>
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<p>1 information provided on the customer 2 statements? 3 A. I did not. 4 Q. Did you ever alert anyone at BLMIS 5 to an error or an issue on any of the 6 statements? 7 A. Not that I can recall. 8 Q. Did you receive checks from BLMIS? 9 A. I did. 10 Q. When did you receive those checks? 11 A. The ones that I know for sure are 12 the ones in the most recent account because I 13 have the documentation of that. So I believe I 14 received one check either, I think, in 2005 or 15 2006 and one check in 2007. So those I know. 16 My kids, my older two children, 17 were in college from 1989 or 1990 on up to the 18 late '90s. So I don't remember exactly when I 19 received those checks, but I'm assuming that I 20 requested and received checks during that 21 period of time because that's what I was using 22 to pay for at least a fair amount of their 23 college. 24 Q. So it's your understanding that 25 during the time that your children were in</p>	<p>1 that I would have to -- I would have to send in 2 a letter formally requesting funds. So that 3 was the process. 4 And I think more recently I may 5 have just sent in the letter because I, you 6 know, in 2005 and 2006, at that point I think I 7 knew what the process was. But I -- I don't 8 know if I spoke to anybody then. 9 Q. So is it your understanding that 10 you may have called the BLMIS office to request 11 funds at some point? 12 A. I think initially I must have 13 because I didn't know what the process was. 14 How many times I did I don't know, but by the 15 time I got to 2005, I knew what the process 16 was. 17 Q. Do you have an understanding of 18 what profit withdrawal is in connection with 19 BLMIS? 20 A. I don't. 21 Q. Have you heard the term "profit 22 withdrawal" as it applies to BLMIS? 23 A. I'm now aware of it, yeah. 24 Q. When did you become aware of it? 25 A. Oh, goodness. I can't remember</p>

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<p>1 exactly when it was, but at some point it came 2 to my attention that -- that there were these 3 PWs appearing somewhere. I never saw them on 4 my statements. So I didn't know what it was. 5 And at that point there were all of 6 these abbreviations, PWs, you know, there were 7 other letters. So, you know, at some point in 8 discussion with my brother, you know, because 9 we both didn't understand what this was all 10 about. So it's been within the last -- I don't 11 know remember exactly when it was that I first 12 learned about this. 13 Q. Do you -- 14 A. But I was shocked, you know, 15 because it was really confusing. 16 Q. Do you remember if it was before or 17 after December 11, 2008? 18 A. Oh, yeah. It was after. It was 19 way after. (Laugh). 20 Q. Do you think it was within the last 21 few years? 22 A. Yeah, it's within the last few 23 years. 24 Q. What did you -- 25 So I have something I'd like to</p>	<p>1 Q. You don't have a recollection of an 2 account at this -- at this time? 3 A. I have a recollection of the CAB 4 Trust. I have no recollection of that other 5 one. Wow. 6 (Reviewing document). Wow. Okay. 7 I'm surprised. 8 Q. So my question for you is about the 9 10th page of this document, which ends in 948. 10 So MADTBB03076948. 11 A. Yes. 12 Q. Does this look like your signature? 13 A. Yeah. 14 Q. Is this your address as of the date 15 listed, which is July 10, 1990? 16 A. Yes. 17 Q. So this appears to be a letter from 18 you to someone named Joanne addressed to 19 Bernard L. Madoff Investment Securities; is 20 that right? 21 A. That's what it looks like. 22 Q. If you will, can you just read the 23 text of the letter into the record, please? 24 A. "Dear Joanne, as I mentioned to you 25 on the telephone several weeks ago, I would</p>
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<p>1 show you, and I'll mark it as Exhibit 15. 2 (Document marked, for 3 identification purposes, as Trustee Exhibit 4 15.) 5 BY MS. FEIN: 6 Q. It's the customer file from an 7 account held in the name of Joel A. Blum and 8 Kerry E. Blum JTWROS. 9 A. Yes. 10 Q. Number 1B0186 and the Bates number 11 is MADTBB03076939 and the ending Bates number 12 is MADTBB00 -- I'm sorry -- 03076956. 13 Give this to you. 14 So please review and the question 15 -- I have a few questions for you on page 10 of 16 this document. 17 A. (Reviewing document). 18 Wow. I have no recollection of 19 that. 20 Q. I'm sorry. When you say you have 21 no recollection, can you just let me know what 22 document you're talking about? 23 A. Well, it looks like there's two 24 accounts, and I have no recollection of the 25 Joel A. Blum and Kerry E. Blum account.</p>	<p>1 like to make some changes in the two accounts I 2 have with you. 3 Regarding account number 1-00269-1, 4 which is currently listed in only my name, 5 could you please change the title of that 6 account to: 7 Joel A. Blum and Kerry E. Blum - 8 with Rights of Survivorship. 9 Regarding account number 1-00218-1, 10 the CAB Trust Account: until now the profits 11 have all been reinvested. Starting with the 12 next transaction, could you please send a check 13 covering the profits from each transaction to: 14 The CAB Trust. 15 Care of Joel A. Blum. 16 3023 Floyd Avenue. 17 Richmond, Virginia 23221. 18 Thank you for your attention to 19 these matters. 20 Yours truly, Joel A. Blum, M.D." 21 Q. When we were discussing the CAB 22 account, is it your understanding that this 23 would be referring -- the language in this 24 letter would be referring to that same CAB 25 account we discussed?</p>

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10 (Pages 34 to 37)

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<p>1 A. Yes.</p> <p>2 Q. Regarding account 100269 that</p> <p>3 appears to be in the name of yourself and your</p> <p>4 wife, do you recall having an account open in</p> <p>5 your name at that time?</p> <p>6 A. I have no recollection of that</p> <p>7 account.</p> <p>8 Q. So you recall --</p> <p>9 A. It's weird.</p> <p>10 Q. -- having a CAB -- the CAB account</p> <p>11 open --</p> <p>12 A. I do.</p> <p>13 Q. -- at that time?</p> <p>14 You do not recall having an account</p> <p>15 open in your name and your wife's name at that</p> <p>16 time; right?</p> <p>17 A. (Laugh). No. Nope.</p> <p>18 Q. Do you have any reason to doubt</p> <p>19 that you wrote this letter?</p> <p>20 A. Aside from the fact that it</p> <p>21 includes information that I don't remember, it</p> <p>22 looks like my signature.</p> <p>23 Q. In the third full paragraph of this</p> <p>24 letter, it looks like there's a statement</p> <p>25 regarding the fact that profits in the account</p>	<p>1 have an understanding of what checks you were</p> <p>2 being sent from the account?</p> <p>3 A. My -- well, you know, this is hard</p> <p>4 because this is in retrospect. I don't</p> <p>5 remember exactly what was in my mind at that</p> <p>6 point, but in retrospect, it would be that I</p> <p>7 would get a check from time to time.</p> <p>8 Q. The CAB Trust account appears to be</p> <p>9 the name of this account at the time; right?</p> <p>10 A. Yes.</p> <p>11 Q. Do you recall that trust, what that</p> <p>12 trust was?</p> <p>13 A. Could you maybe explain that a</p> <p>14 little more what -- what my options are in</p> <p>15 terms of what -- what the trust was?</p> <p>16 Q. Do you recall that you set up a</p> <p>17 trust named the CAB Trust at that time?</p> <p>18 A. Yes.</p> <p>19 Q. Do you recall who served as the</p> <p>20 trustee?</p> <p>21 A. No.</p> <p>22 Q. Do you recall who the beneficiaries</p> <p>23 were?</p> <p>24 A. Courtney and Aaron. That's what</p> <p>25 the C and A are, Courtney and Aaron Blum.</p>
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<p>1 have been reinvested.</p> <p>2 Do you recall requesting that</p> <p>3 profits in your BLMIS account, the CAB account,</p> <p>4 be reinvested?</p> <p>5 A. I don't specifically recall that,</p> <p>6 but that makes sense to me since that was the</p> <p>7 purpose of this account was to save money up</p> <p>8 until around this time when I would be needing</p> <p>9 it for educational expenses.</p> <p>10 Q. You mentioned that your kids</p> <p>11 started attending college, I believe you said,</p> <p>12 in 1989 or 1990; is that right?</p> <p>13 A. I think it was the fall of '89.</p> <p>14 Q. So this letter appears to be around</p> <p>15 a similar time frame as we were discussing</p> <p>16 earlier?</p> <p>17 A. Well, it would be the following</p> <p>18 summer, I guess.</p> <p>19 Q. Do you recall requesting around</p> <p>20 that time that checks be sent to you from the</p> <p>21 CAB account?</p> <p>22 A. I don't recall it, but that would</p> <p>23 be consistent with what my intention was.</p> <p>24 Q. When you refer to "a check covering</p> <p>25 the profits from each transaction," did you</p>	<p>1 Q. Do you understand that you opened</p> <p>2 this account in the name of the CAB Trust?</p> <p>3 A. I believe that's -- that's what I</p> <p>4 did.</p> <p>5 MS. FEIN: I have another</p> <p>6 document I'd like to show you that I'll mark</p> <p>7 as Exhibit 16.</p> <p>8 (Document marked, for</p> <p>9 identification purposes, as Trustee Exhibit</p> <p>10 16.)</p> <p>11 BY MS. FEIN:</p> <p>12 Q. It is a copy of a statement dated</p> <p>13 November 30, 1990 addressed to CAB Trust, Care</p> <p>14 of Joel A. Blum, 3023 Floyd Avenue, Richmond,</p> <p>15 Virginia, and the Bates number is MF00032473.</p> <p>16 Here you go.</p> <p>17 Please just let me know when you're</p> <p>18 ready.</p> <p>19 A. (Reviewing document).</p> <p>20 All right. I'm ready.</p> <p>21 Q. Is this -- the address listed at</p> <p>22 the top of this page, was this your address at</p> <p>23 this time in November of 1990?</p> <p>24 A. Yes.</p> <p>25 Q. When you look at the information</p>

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11 (Pages 38 to 41)

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<p>1 provided here, does this look like the kind of</p> <p>2 information provided on customer statements to</p> <p>3 you that you received from BLMIS?</p> <p>4 A. I mean, this is like a small</p> <p>5 fraction of a statement, if I were to get</p> <p>6 something. Some of it I'm -- you know, the end</p> <p>7 of positions, I don't remember anything like</p> <p>8 that.</p> <p>9 The lines look like it.</p> <p>10 Q. Do you remember a column listed for</p> <p>11 debit and a column listed for credit?</p> <p>12 A. On the statements that I got, there</p> <p>13 were columns for debits and credits, yes.</p> <p>14 Q. What did you understand those</p> <p>15 columns to mean on your statements?</p> <p>16 A. The debits I understood -- oh, wait</p> <p>17 a second. There's something here that I don't</p> <p>18 think that ever happened. I don't remember</p> <p>19 ever seeing -- there's a "PW" here, which I</p> <p>20 don't remember ever seeing.</p> <p>21 So the debits would be withdrawals</p> <p>22 and the credits would be putting in.</p> <p>23 Q. Do you recall -- if you look at the</p> <p>24 left-hand side of the page, do you see the</p> <p>25 numbers 1105 1105? Do you recall that your</p>	<p>1 MADTB02386355 and the ending Bates is</p> <p>2 MADTB02386398. So give this to you.</p> <p>3 If you can take a look.</p> <p>4 A. Am I done with this one?</p> <p>5 Q. Yes, you can put that aside. Thank</p> <p>6 you.</p> <p>7 My question for you is on the</p> <p>8 fourth page of the document, but feel free to</p> <p>9 review.</p> <p>10 A. (Reviewing document).</p> <p>11 Okay. So this is -- you're talking</p> <p>12 about this letter?</p> <p>13 Q. I am, yes. That's right.</p> <p>14 MR. KIRBY: Which page is the</p> <p>15 letter?</p> <p>16 THE WITNESS: The fourth page.</p> <p>17 BY MS. FEIN:</p> <p>18 Q. The fourth page, yes, ending in</p> <p>19 358.</p> <p>20 A. It appears that Joanna -- Joanne is</p> <p>21 somebody that I corresponded with.</p> <p>22 Q. As you review these letters, does</p> <p>23 it remind you of anyone else that you may have</p> <p>24 spoken with at BLMIS?</p> <p>25 A. No. (Reviewing document).</p>
Page 39	Page 41
<p>1 statements generally had this set of columns?</p> <p>2 A. I don't remember that.</p> <p>3 Q. Do you recall that your statements</p> <p>4 would indicate whether a check was issued?</p> <p>5 A. I had statements where there were</p> <p>6 checks issued, yes.</p> <p>7 Q. So you recall seeing that</p> <p>8 information on a customer statement?</p> <p>9 A. That a check was issued? Yes.</p> <p>10 Q. Yes.</p> <p>11 A. Well, I mean, I have that quite</p> <p>12 recently in terms of 2005.</p> <p>13 MS. FEIN: Okay. You can put</p> <p>14 this aside. Thank you.</p> <p>15 This is a customer file for the</p> <p>16 -- it reads CAB Trust with the number</p> <p>17 100218-10 and another number listed 1C0 --</p> <p>18 I'm sorry -- 1C1001-10.</p> <p>19 I'm going to mark it as Exhibit</p> <p>20 17.</p> <p>21 (Document marked, for</p> <p>22 identification purposes, as Trustee Exhibit</p> <p>23 17.)</p> <p>24 BY MS. FEIN:</p> <p>25 Q. The Bates stamp here is</p>	<p>1 It says of the trust. (Reviewing</p> <p>2 document).</p> <p>3 There's that account in 1988. I</p> <p>4 think I would remember that. Okay.</p> <p>5 So you want?</p> <p>6 Q. Yes.</p> <p>7 A. Page 4.</p> <p>8 Q. Actually, I've changed my mind.</p> <p>9 I'm sorry. Can we actually look at the page</p> <p>10 ending in -365 first, which is the 11th page.</p> <p>11 Starting with "Declaration of Trust</p> <p>12 Establishing the CAB Trust" is what the heading</p> <p>13 is.</p> <p>14 A. Okay.</p> <p>15 Q. Can you read just the first</p> <p>16 sentence there?</p> <p>17 A. "I, Joel A. Blum, of Sherborn,</p> <p>18 Middlesex County, Massachusetts, and hereby</p> <p>19 declare that I and my successors in trust</p> <p>20 hereunder will hold any and all property (both</p> <p>21 real and personal) that may be conveyed to me</p> <p>22 as Trustee of this Trust, hereunder for the</p> <p>23 sole benefit of the persons who, according to</p> <p>24 the books of this Trust, are the holders of the</p> <p>25 beneficial interests herein in the proportion</p>

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12 (Pages 42 to 45)

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<p>1 of such beneficial interests, upon the terms 2 herein set forth." 3 Q. Does seeing this document refresh 4 your recollection as to whether you served as 5 the trustee of the trust, the CAB Trust? 6 A. It does not. You know, I mean, it 7 seems to say that but, you know, I don't 8 recall. 9 Q. Do you have any reason to doubt 10 that you acted as trustee for the CAB Trust? 11 A. I don't have reason to doubt that, 12 no. 13 Q. On page 7 of this document -- 14 MR. KIRBY: This document 15 meaning the trust? 16 MS. FEIN: Yes. Thank you. 17 BY MS. FEIN: 18 Q. On page 7 of the declaration of 19 trust document with the page number 7 at the 20 bottom and the Bates stamp ending in 371. 21 A. Yeah. 22 Q. Do you see your name listed there? 23 A. I do. 24 Q. And it's a little hard to read -- 25 A. Right.</p>	<p>1 provided during the life of the account. 2 Please send a check for the remaining balance 3 along with the check for the current 4 transaction, as you have been doing over the 5 past several years." 6 Q. Is this your handwriting? 7 A. Yes. 8 Q. And your signature at the bottom of 9 the page, is that your signature? 10 A. Yes. 11 Q. The letter refers to -- it appears 12 to me that the letter refers to two checks. 13 Is that consistent with your 14 understanding? 15 A. Yes. Sent "for the remaining 16 balance along with the check for the current 17 transaction." 18 Q. What do you understand the term 19 "remaining balance" to mean in this context? 20 A. Well, whatever the balance still is 21 after the current transaction. 22 Q. For the CAB Trust account, you 23 recall receiving checks during the life of the 24 account; is that correct? 25 A. I don't specifically recall that,</p>
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<p>1 Q. -- the signature line, but does 2 that appear like it could have been your 3 signature? 4 A. It does. 5 Q. So we can turn back now to the 6 letter that I had mentioned earlier. Thank 7 you. 8 A. Yes. 9 Q. Ending in -358. 10 You see this letter is dated 11 April 18, 1996. 12 Is the address listed here 9508 13 Arrowdel Road, Richmond, Virginia -- 14 A. Yes. 15 Q. -- your address at the time? 16 A. I believe so, yes. 17 Q. Can you read the text of the letter 18 into the record, please? 19 A. "Dear Joanne, I would like at this 20 time to close out the CAB Trust Account 21 (account number 1-C1001-1-0). This account has 22 financed college education for my two older 23 children and the time has now come to 24 distribute the remaining funds to them. Thank 25 you for all the excellent service you have</p>	<p>1 but I know that that must have happened. 2 Q. Would the accounts that you 3 received throughout the life of the account be 4 comprised of principal or of profit? 5 A. I think it would be both. I think. 6 Q. Can you explain your thinking? 7 A. Well, I don't remember how much I 8 contributed to that account, but I was 9 contributing to it and then there were -- there 10 were, you know, capital gains. There were 11 profits in the account. So when I was taking 12 money out, it was probably some of both. 13 Q. When you see in the letter the last 14 line of the letter "along with the check for 15 the current transaction," what did you 16 understand that transaction -- what do you 17 understand that transaction to be referring to? 18 A. I don't know exactly what that 19 means. I mean, my recollection -- you know, 20 there are a number of letters in here that 21 address specific withdrawals, and that's my 22 recollection of what I did was I requested 23 certain amounts of money at certain times. So 24 whether I was referring to that as the current 25 transaction I'm not sure. I just don't</p>

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13 (Pages 46 to 49)

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<p>1 remember.</p> <p>2 But what I -- my recollection is</p> <p>3 the process was I would ask for funds, and so</p> <p>4 the only thing different about this would be</p> <p>5 that I was asking for it to be closed out.</p> <p>6 Q. Can we actually just turn back to</p> <p>7 the customer file we were reviewing a moment</p> <p>8 ago marked as Exhibit 15.</p> <p>9 I just have one more question for</p> <p>10 you on that, a letter we looked at in that</p> <p>11 file, which was the page ending in -9 -- I'm</p> <p>12 sorry -948.</p> <p>13 A. 940?</p> <p>14 Q. 948. I'm sorry.</p> <p>15 A. Oh, 948. Okay.</p> <p>16 Q. You read the paragraph starting</p> <p>17 with "Regarding account 1-0028-1" the</p> <p>18 statement, "Starting with the next transaction,</p> <p>19 "could you please send a check covering the</p> <p>20 profits from each transaction to The CAB Trust"</p> <p>21 and then your information, your address and</p> <p>22 name.</p> <p>23 A. Right.</p> <p>24 Q. Is that your consistent with your</p> <p>25 understanding of your receipt of checks in</p>	<p>1 for a certain amount of money to -- to pay for</p> <p>2 the school.</p> <p>3 I mean, this -- this was my opening</p> <p>4 -- I think this was my initial request to get</p> <p>5 funds.</p> <p>6 Q. And --</p> <p>7 A. Sounds like.</p> <p>8 Q. You mentioned you would receive --</p> <p>9 your recollection is you might receive a check</p> <p>10 every three or four months; is that correct?</p> <p>11 A. You know, clearly I'm not</p> <p>12 remembering this. Because in the other one, it</p> <p>13 looks like I specifically at certain times</p> <p>14 asked for checks. So that would seem like it</p> <p>15 wasn't every three or four months.</p> <p>16 I don't know if there were some</p> <p>17 other communication that I had with them once I</p> <p>18 got more into the process.</p> <p>19 It looked like I was moving</p> <p>20 towards: I need some money now. Could you</p> <p>21 please send it? I need some money now. Could</p> <p>22 you please send it?</p> <p>23 That seems to be what happened as</p> <p>24 we went along. That's more what I would</p> <p>25 recall, just like my more recent requests.</p>
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<p>1 connection with the CAB Trust account?</p> <p>2 A. I think, as best as I can recall,</p> <p>3 what I meant -- you know, because there wasn't</p> <p>4 single transactions. There were multiple</p> <p>5 transactions that took place at once.</p> <p>6 So if I'm referring to a</p> <p>7 transaction out of multiple, you know, there</p> <p>8 was -- let's say there were 10 different</p> <p>9 transactions, it doesn't make sense that I</p> <p>10 would ask for each. You know, it would be all</p> <p>11 10. Whatever the result was out of all 10 of</p> <p>12 them was what I believe that this was referring</p> <p>13 to. Why I put in "transaction," I think I</p> <p>14 considered the whole thing a transaction.</p> <p>15 And my recollection is that those</p> <p>16 -- that would happen about once every three or</p> <p>17 four months.</p> <p>18 Q. In terms of this paragraph, though,</p> <p>19 the checks you're referring to would be checks</p> <p>20 of profit, not of principal; is that right?</p> <p>21 A. I mean, that's what it says, right?</p> <p>22 But I'm thinking that I would answer that</p> <p>23 differently now.</p> <p>24 I think at that point, I would be</p> <p>25 looking for profits, but I'm basically looking</p>	<p>1 Q. So is it your understanding that</p> <p>2 perhaps your requests may have changed over</p> <p>3 time?</p> <p>4 A. The wording. I just -- I don't</p> <p>5 remember this, why I worded it this way. What</p> <p>6 I -- what I thought about a trans -- you know,</p> <p>7 what I understood a transaction to be. What</p> <p>8 they thought it was. I just don't know.</p> <p>9 MS. FEIN: I'd like to take a</p> <p>10 quick break, if that's okay.</p> <p>11 MR. KIRBY: Today is a good</p> <p>12 time. Thank you.</p> <p>13 MS. FEIN: Thank you very much.</p> <p>14 THE VIDEOGRAPHER: The time is</p> <p>15 2:42. We are going off the record.</p> <p>16 (Recess - 2:42 p.m. - 2:58 p.m.)</p> <p>17 THE VIDEOGRAPHER: We are now on</p> <p>18 the record. This begins videotape No. 2 in</p> <p>19 the deposition of Dr. Joel A. Blum. The</p> <p>20 time is 2:58.</p> <p>21 BY MS. FEIN:</p> <p>22 Q. Good afternoon, Dr. Blum, again.</p> <p>23 A. Good afternoon.</p> <p>24 Q. We're going to turn to speak about</p> <p>25 your family's BLMIS accounts for just a minute.</p>

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14 (Pages 50 to 53)

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<p>1 Are you familiar with the initial</p> <p>2 account that your father maintained in his own</p> <p>3 name?</p> <p>4 A. I'm familiar that he had an</p> <p>5 account, yes.</p> <p>6 Q. Is it your recollection that that</p> <p>7 account was opened some time prior to your own</p> <p>8 account?</p> <p>9 A. I believe it was.</p> <p>10 Q. When -- did you speak with your</p> <p>11 father around the time that his account was</p> <p>12 opened about his BLMIS investment?</p> <p>13 A. I don't know if I -- you know, when</p> <p>14 I spoke to him. I don't remember the first</p> <p>15 time I spoke to him about it.</p> <p>16 Q. Do you know for what purpose the</p> <p>17 account was opened?</p> <p>18 A. My father's account?</p> <p>19 Q. Yes. I'm sorry. Your father's</p> <p>20 personal account.</p> <p>21 A. Not really. I don't know what</p> <p>22 exactly he had in mind. I mean, he had a</p> <p>23 number of different investments, and at this</p> <p>24 point he was close to 80 or in his 80s. So I'm</p> <p>25 assuming he was trying to figure out how to</p>	<p>1 in his own name to an account for the Morris</p> <p>2 Blum Living Trust?</p> <p>3 A. I would have to review. I mean,</p> <p>4 that is some of what I reviewed, and I think</p> <p>5 that those were things that happened in the</p> <p>6 1990s.</p> <p>7 Q. Did there come a time when you</p> <p>8 played a role in the management of your</p> <p>9 father's investments?</p> <p>10 A. Not really. I would advise him on</p> <p>11 stocks, but I can't say that that played a</p> <p>12 role.</p> <p>13 Q. Did he have some investments</p> <p>14 directly in the stock market then?</p> <p>15 A. Yes.</p> <p>16 Q. And are you aware that there was an</p> <p>17 account held in the name of your mother, Roslyn</p> <p>18 Blum?</p> <p>19 A. I am now aware of that, yes,</p> <p>20 clearly.</p> <p>21 Q. When did you become aware of that?</p> <p>22 A. I'm guessing some time in -- you</p> <p>23 know, I did not become fully aware of that</p> <p>24 until he died really.</p> <p>25 Q. And that was in 2002?</p>
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<p>1 invest so that it could appreciate and he could</p> <p>2 have a good estate.</p> <p>3 Q. When you reference he had other</p> <p>4 investments, do you mean non-BLMIS investments?</p> <p>5 A. Yes.</p> <p>6 Q. Other investment accounts?</p> <p>7 A. Yes. Yes.</p> <p>8 Q. What was your father's profession</p> <p>9 when he worked?</p> <p>10 A. My father was a physician.</p> <p>11 Q. And when did he stop practicing?</p> <p>12 A. It was, I think, in 1986.</p> <p>13 Q. Do you know if your father received</p> <p>14 checks from BLMIS in connection with his</p> <p>15 investments?</p> <p>16 A. I don't know.</p> <p>17 Q. Do you know if he did receive</p> <p>18 checks in connection with those investments?</p> <p>19 Scratch that.</p> <p>20 Do you have an understanding of who</p> <p>21 he communicated with at BLMIS with respect to</p> <p>22 the investments?</p> <p>23 A. No.</p> <p>24 Q. Do you have an understanding of</p> <p>25 when his account changed from an account held</p>	<p>1 A. 2002. But I may have had some</p> <p>2 awareness about that before then.</p> <p>3 Q. For the awareness that you did</p> <p>4 have, did you understand when he was alive that</p> <p>5 he -- that your father personally maintained</p> <p>6 the account on your mother's behalf?</p> <p>7 A. Well, I don't remember exactly when</p> <p>8 I became aware of that. I'm assuming it was at</p> <p>9 some point in the 1990s that I became aware of</p> <p>10 that.</p> <p>11 Q. Did you understand that your mother</p> <p>12 and father received customer statements from</p> <p>13 BLMIS in regards to their BLMIS investments?</p> <p>14 A. I know that they did now, but I</p> <p>15 don't think I knew about that much at that</p> <p>16 point, and I didn't know about my mother</p> <p>17 receiving statements.</p> <p>18 Q. Do you know if your father received</p> <p>19 checks in connection with his BLMIS</p> <p>20 investments?</p> <p>21 A. I don't know.</p> <p>22 Q. Was there a time when you were</p> <p>23 listed as a co-trustee on some of the</p> <p>24 investments that your father held with BLMIS?</p> <p>25 A. I -- I think towards the end. I</p>

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<p>1 don't remember exactly when that happened. I'd 2 have to -- I just don't remember exactly. I 3 think that I did become listed as a co-trustee. 4 I think my brother, who was living down in 5 Florida with him, who had much more contact 6 with him, would have been much more actively 7 involved in that. 8 Q. I'd like to show you a document 9 customer file for Dr. Morris Blum Living Trust, 10 number 1B0189. 11 A. Actually, my statement does say 12 that I was somewhat -- I was aware, but the 13 timing of it I think was, you know, was the 14 late '90s, I think. 15 MS. FEIN: So I'd like to enter 16 as Exhibit 18 the customer file for 17 Dr. Morris Blum Living Trust 1B0189. The 18 Bates number on this file is AMF00156409. 19 (Document marked, for 20 identification purposes, as Trustee Exhibit 21 18.) 22 BY MS. FEIN: 23 Q. And I'm going to ask you a question 24 about the fifth page of this document ending in 25 -413.</p>	<p>1 be the successor trustees. Article Eleventh of 2 the Roslyn Blum Trust provides for the same 3 successor trustees. Please proceed to have the 4 accounts changed to reflect the new trustees. 5 Norman Blum's address is 381 6 Poinciana Island Drive, North Miami Beach, 7 Florida 33160, and Joel Blum's address is 9508 8 Arrowdel Road, Richmond, Virginia 23229." 9 Q. That's fine. Thank you. 10 Is this letter consistent with your 11 understanding of how you became a co-trustee on 12 your mother's BLMIS account and your father's 13 BLMIS account? 14 A. I don't recall, but it seems 15 reasonable. 16 Q. The time here, the date listed is 17 November 14, 2002. 18 Does that seem to be around the 19 time that you would have become a successor 20 trustee, in your recollection? 21 A. Well, my father died shortly before 22 that. 23 Q. So it would make sense to you then 24 consistent with that date that you became a 25 trustee at that time?</p>
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<p>1 A. 413? 2 Q. Yes. 3 A. (Reviewing document). 4 Q. And, actually, I do have one other 5 page I have a question about. If you want to 6 review the rest of the file. It's the page 7 ending in 427. 8 A. (Reviewing document). 9 Q. Sorry. We will only talk about the 10 two letters. So -413 and -427. 11 A. Okay. 12 Q. So don't worry if you don't think 13 you're an expert on this. 14 A. All right. 15 Q. So for the letter ending in 413 16 dated November 14, 2002, can you read the text 17 of the letter into the record, please? 18 A. "Dear Mr. DiPascali: Pursuant to 19 your request, please find attached the relevant 20 portions of the Second Amendment and 21 Restatement of the Morris Blum Living Trust and 22 the First Amendment of the Roslyn Blum Living 23 Trust (which created the Roslyn Blum Remainder 24 Trust). Article Twelfth of the Morris Blum 25 Trust provides for Norman Blum and Joel Blum to</p>	<p>1 A. I would think so, yes. 2 Q. What was your role as successor 3 trustee on these two accounts? 4 A. I guess to oversee the settlement 5 of these accounts. 6 Q. And when you say the "settlement" 7 of the accounts, what are you referring to? 8 A. Well, my father had passed, my 9 mother had passed, and so the estate was now 10 being managed. 11 Q. Once you became the trustee, did 12 you receive customer statements from these 13 BLMIS accounts? 14 A. I don't recall any. 15 Q. Do you recall when these accounts 16 were closed? 17 A. Not precisely. I believe that my 18 mother's account was closed before. I think it 19 was closed maybe in December. I'm not sure of 20 the timing. 21 Q. Did you correspond with BLMIS on 22 behalf of the accounts? 23 A. I don't -- 24 Q. Either of the accounts? 25 A. I don't recall any correspondence</p>

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<p style="text-align: right;">Page 58</p> <p>1 with them.</p> <p>2 Q. If you -- if you turn to the page</p> <p>3 ending in 427, please, I'd like to ask you a</p> <p>4 quick question about it. So please just let me</p> <p>5 know when you're ready.</p> <p>6 A. I'm on that page.</p> <p>7 Q. Okay. Can you just read the letter</p> <p>8 -- just what appears to be the text of the</p> <p>9 letter only, starting with "Dear, sir."</p> <p>10 A. "Dear, sir." All right. So</p> <p>11 "please" is my father's writing.</p> <p>12 "Please remit distribution for the</p> <p>13 following accounts.</p> <p>14 1-B0189-3.</p> <p>15 1-B0189-4.</p> <p>16 1-B0191-3.</p> <p>17 1-B0191-4.</p> <p>18 Please do this as soon as</p> <p>19 possible."</p> <p>20 Q. And is your father's signature</p> <p>21 there below?</p> <p>22 A. That looks like my father's</p> <p>23 signature.</p> <p>24 Q. Do you have any recollection of</p> <p>25 seeing this letter before?</p>	<p style="text-align: right;">Page 60</p> <p>1 a copy?</p> <p>2 MS. FEIN: Yes. So sorry about</p> <p>3 that.</p> <p>4 MR. KIRBY: Thank you.</p> <p>5 BY MS. FEIN:</p> <p>6 Q. With the Bates ending in 515.</p> <p>7 Please let me know when you're ready to</p> <p>8 proceed.</p> <p>9 A. (Reviewing document). Okay.</p> <p>10 Q. This letter is dated December 8,</p> <p>11 2002; correct?</p> <p>12 A. Yes.</p> <p>13 Q. And is this your signature at the</p> <p>14 bottom?</p> <p>15 A. Yes.</p> <p>16 Q. And is your address at the top the</p> <p>17 address that is consistent with yours at that</p> <p>18 time?</p> <p>19 A. Yes.</p> <p>20 Q. Is it your understanding that the</p> <p>21 BLMIS account in your mother's name was closed</p> <p>22 around this time, December of 2002?</p> <p>23 A. I believe so.</p> <p>24 Q. So the period of time that you were</p> <p>25 a trustee on this account would be from</p>
<p style="text-align: right;">Page 59</p> <p>1 A. No.</p> <p>2 Q. Do you have any recollection that</p> <p>3 your father had requested distribution from</p> <p>4 certain of his BLMIS accounts?</p> <p>5 A. I do not.</p> <p>6 MS. FEIN: I believe we're done</p> <p>7 with -- with this document. Thank you. You</p> <p>8 can put it aside.</p> <p>9 I'm now going to mark as Exhibit</p> <p>10 19 a customer file for 1B0191-30/40 Roslyn</p> <p>11 Blum. The AMF for this file begins with</p> <p>12 AMF00156538 and then the Bates change. So</p> <p>13 the next Bates is AMF00156515 through</p> <p>14 AMF00156537. And then the last page here</p> <p>15 appears to also be a folder cover with the</p> <p>16 Bates AMF00156513.</p> <p>17 (Document marked, for</p> <p>18 identification purposes, as Trustee Exhibit</p> <p>19 19.)</p> <p>20 BY MS. FEIN:</p> <p>21 Q. If you can take a quick look. I'm</p> <p>22 actually asking you about a letter that's just</p> <p>23 the first letter in the file. The second page</p> <p>24 of that file.</p> <p>25 MR. KIRBY: Counsel, do you have</p>	<p style="text-align: right;">Page 61</p> <p>1 November 2002 until December 2002; is that</p> <p>2 right?</p> <p>3 A. Based on, yeah, the timing of that</p> <p>4 last letter, that's what it would seem like.</p> <p>5 Q. Okay. And is your recollection</p> <p>6 that the timing of your role as trustee on your</p> <p>7 father's BLMIS account was approximately the</p> <p>8 same?</p> <p>9 A. I don't think that his account was</p> <p>10 liquidated until some time in the '03. So I</p> <p>11 think I would have been active as a trustee</p> <p>12 longer.</p> <p>13 Q. Okay. Do you recall when in 2003?</p> <p>14 A. Not exactly, but I believe it was</p> <p>15 some time in the summer.</p> <p>16 Q. Okay.</p> <p>17 A. But I don't -- I don't remember</p> <p>18 exactly.</p> <p>19 Q. Okay. Actually, if you can turn</p> <p>20 back to Exhibit 18, just to close the loop on</p> <p>21 this. I'm sorry. Exhibit -- the last one we</p> <p>22 looked at.</p> <p>23 A. Yeah. Okay. I put it here.</p> <p>24 Q. Starting with Bates 409. Yes. So</p> <p>25 page 411 of that document -- of that document,</p>

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17 (Pages 62 to 65)

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<p>1 the third page.</p> <p>2 A. Yes.</p> <p>3 Q. That appears to be a letter dated</p> <p>4 July 31, 2003.</p> <p>5 And is the signature your brother's</p> <p>6 signature?</p> <p>7 A. Probably. (Laugh). It looks like</p> <p>8 it to me.</p> <p>9 Q. Is this letter then consistent with</p> <p>10 your recollection that the account for your</p> <p>11 father was closed some time in the summer of</p> <p>12 2003?</p> <p>13 A. Yes.</p> <p>14 Q. Okay. So for this account, you</p> <p>15 served as a co-trustee from November 2002 until</p> <p>16 July 2003; is that right?</p> <p>17 A. Approximately that, yes.</p> <p>18 Q. Okay. During that time you were a</p> <p>19 co-trustee on these two accounts, were you ever</p> <p>20 personally responsible for the account</p> <p>21 maintenance?</p> <p>22 A. I suppose that I had some</p> <p>23 responsibility, but I don't think I -- I don't</p> <p>24 recall being actively involved in that. I</p> <p>25 believe my brother took care of that.</p>	<p>1 Q. Just a few questions for you on the</p> <p>2 declaration. So please just let me know when</p> <p>3 you are ready to discuss.</p> <p>4 A. (Reviewing document). Okay.</p> <p>5 Q. Okay. In the third paragraph, can</p> <p>6 you read the last sentence of the third</p> <p>7 paragraph into the record, please?</p> <p>8 A. "Nonetheless others in our family</p> <p>9 maintained accounts at Madoff Securities which</p> <p>10 -- with which I am personally familiar."</p> <p>11 Q. What accounts are you referring to</p> <p>12 in this paragraph?</p> <p>13 A. I would say the ones that I would</p> <p>14 be personally familiar at this point would be</p> <p>15 my mother's and my father's and, to some</p> <p>16 extent, my brother's.</p> <p>17 Q. What was your familiarity with your</p> <p>18 brother's BLMIS account?</p> <p>19 A. Well, he had -- he and I, you know,</p> <p>20 split the account from my mother's remainder</p> <p>21 trust. So there was that. And then I had</p> <p>22 heard -- I don't know the details of this --</p> <p>23 that my brother had a retirement account, I</p> <p>24 believe, with -- with BLM.</p> <p>25 Q. So you understood that your brother</p>
Page 63	Page 65
<p>1 Except for the letter that I</p> <p>2 submitted asking for the distribution of my</p> <p>3 mother's remainder trust.</p> <p>4 Q. Do you recall receiving checks from</p> <p>5 BLMIS during the time that you were a successor</p> <p>6 trustee from these two accounts, your mother's</p> <p>7 trust account and your father's trust account?</p> <p>8 A. I believe that those checks went to</p> <p>9 my brother.</p> <p>10 Q. Okay. Do you have any records in</p> <p>11 connection with your service as a co-trustee on</p> <p>12 either of these two accounts, your mother's</p> <p>13 trust account or your father's trust account?</p> <p>14 A. I don't know. What kind of</p> <p>15 records?</p> <p>16 Q. I suppose I'm curious as to whether</p> <p>17 you had any documents from BLMIS with regard to</p> <p>18 these two accounts once you became a trustee.</p> <p>19 A. I don't think I do. I can't recall</p> <p>20 anything like that.</p> <p>21 Q. So if we can go back to your</p> <p>22 declaration, which I believe it's marked as</p> <p>23 Exhibit 14.</p> <p>24 MS. VANDERWAL: It is.</p> <p>25 BY MS. FEIN:</p>	<p>1 had BLMIS investment accounts, at least two</p> <p>2 BLMIS investment accounts; right?</p> <p>3 A. Yes.</p> <p>4 Q. If we look at paragraph 8.</p> <p>5 A. Yes.</p> <p>6 Q. Can you read the first two</p> <p>7 sentences, please?</p> <p>8 A. "I am aware of no records of these</p> <p>9 checks being cashed or received by my family.</p> <p>10 Further, this makes no sense given the way our</p> <p>11 family managed their accounts."</p> <p>12 Q. What did you understand to be the</p> <p>13 way your family managed their accounts?</p> <p>14 A. That these were primarily</p> <p>15 retirement-type accounts. That my mother would</p> <p>16 not be involved in the management. I knew</p> <p>17 that. That my father was trying to grow his</p> <p>18 estate, and that he would do it in a way that</p> <p>19 was orderly and within his capacities really.</p> <p>20 Q. Did you have an understanding of</p> <p>21 what your father's bank accounts were?</p> <p>22 A. He had -- I mean, my brother, I</p> <p>23 think, was the co-trustee or the co-name, the</p> <p>24 other name on the checking account. So I know</p> <p>25 he had a checking account. Aside from that, I</p>

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<p>1 don't know about any other bank accounts.</p> <p>2 Q. Did you ever receive any bank</p> <p>3 statements on behalf of your father?</p> <p>4 A. I did not.</p> <p>5 Q. Did you ever review any bank</p> <p>6 statements that your father had?</p> <p>7 A. Not that I recall.</p> <p>8 Q. Do you currently have any copies of</p> <p>9 your father's bank statements?</p> <p>10 A. No. I wish I did.</p> <p>11 Q. Do you have an understanding of</p> <p>12 what your father relied on as income when he</p> <p>13 was in his 80s and 90s?</p> <p>14 A. Somewhat.</p> <p>15 Q. Was BLMIS a source of that income?</p> <p>16 A. Well, that I don't know.</p> <p>17 Q. Do you know if your father had</p> <p>18 other investment accounts other than BLMIS?</p> <p>19 A. Oh, yeah.</p> <p>20 Q. What investment accounts were those</p> <p>21 or where were those investments held?</p> <p>22 A. He had two -- and I know this</p> <p>23 because this was also divided between my</p> <p>24 brother and myself with his estate. So he had</p> <p>25 two major investment accounts, and one was</p>	<p>1 letter in connection with your customer claim?</p> <p>2 A. I did.</p> <p>3 MS. FEIN: Okay. I'd like to</p> <p>4 mark the determination letter dated</p> <p>5 April 15, 2016 addressed to Joel A. Blum,</p> <p>6 Kerry E. Blum JTWROS as Exhibit 20.</p> <p>7 (Document marked, for</p> <p>8 identification purposes, as Trustee Exhibit</p> <p>9 20.)</p> <p>10 MR. KIRBY: Counsel, what was</p> <p>11 Exhibit 19?</p> <p>12 Okay. I got it. Okay.</p> <p>13 MS. FEIN: Thanks.</p> <p>14 MR. BELL: 19.</p> <p>15 MS. VANDERWAL: Roslyn Blum.</p> <p>16 MR. KIRBY: Yeah.</p> <p>17 MS. FEIN: Yeah. Sorry.</p> <p>18 THE WITNESS: (Reviewing</p> <p>19 document). Okay.</p> <p>20 BY MS. FEIN:</p> <p>21 Q. Does this, what we just marked as</p> <p>22 Exhibit 20, appear to be the letter you</p> <p>23 received in connection with your account?</p> <p>24 A. Yes, it does.</p> <p>25 Q. Did you review this letter?</p>
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<p>1 with, I think, Merrill Lynch and one was -- I</p> <p>2 forget the name of the other investment</p> <p>3 company.</p> <p>4 Q. Do you know approximately how much</p> <p>5 was invested in those accounts?</p> <p>6 A. I think that -- you know, I'm</p> <p>7 guessing. I mean, the estate, it must have</p> <p>8 been between -- you know, I can't remember. I</p> <p>9 better not. (Laugh). I'd be guessing.</p> <p>10 Q. Please don't.</p> <p>11 Did you ever deposit checks on your</p> <p>12 father's behalf?</p> <p>13 A. I did not.</p> <p>14 Q. Did you ever write checks on your</p> <p>15 father's behalf?</p> <p>16 A. No.</p> <p>17 Q. Did you ever have a power of</p> <p>18 attorney for your father?</p> <p>19 A. I don't believe so, no. No.</p> <p>20 Q. I just want to turn to your</p> <p>21 customer claim briefly.</p> <p>22 Did you file a customer claim in</p> <p>23 connection with any BLMIS customer account?</p> <p>24 A. I did.</p> <p>25 Q. Did you receive a determination</p>	<p>1 A. When I received it? Yes.</p> <p>2 Q. Okay. Do you understand that the</p> <p>3 Trustee determined your SIPC claim in this</p> <p>4 letter?</p> <p>5 A. Yes, I do.</p> <p>6 Q. Do you know how your claim was</p> <p>7 determined?</p> <p>8 A. I'm not sure what you mean by that,</p> <p>9 how it was determined.</p> <p>10 Q. Do you have an understanding of the</p> <p>11 amount that your claim was determined to be?</p> <p>12 A. Yes.</p> <p>13 Q. What is that amount?</p> <p>14 A. \$83,794.59.</p> <p>15 Q. Are you currently engaged in any</p> <p>16 adversary proceeding regarding your BLMIS</p> <p>17 accounts with the Trustee?</p> <p>18 A. Well, I've objected to this</p> <p>19 determination. Is that considered an adversary</p> <p>20 proceeding?</p> <p>21 Q. No.</p> <p>22 A. What -- what are you referring to</p> <p>23 as an adversary proceeding? (Laugh).</p> <p>24 Q. Are you engaged in any litigation</p> <p>25 with respect to your BLMIS account independent</p>

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<p>1 of your customer claim?</p> <p>2 In other words, has the Trustee --</p> <p>3 is the Trustee seeking the recovery of any</p> <p>4 funds --</p> <p>5 A. Oh, no.</p> <p>6 Q. -- from you --</p> <p>7 A. No.</p> <p>8 Q. -- in connection with your BLMIS</p> <p>9 accounts?</p> <p>10 A. Not at this time.</p> <p>11 Q. Okay. I think we're all set.</p> <p>12 Thank you very much for your time.</p> <p>13 MR. KIRBY: We'll take a break</p> <p>14 and I'll follow. See if we're going to have</p> <p>15 some follow-up questions. Thank you.</p> <p>16 THE VIDEOGRAPHER: The time is</p> <p>17 3:31. We are off the record.</p> <p>18 (Recess - 3:31 p.m. - 3:46 p.m.)</p> <p>19 THE VIDEOGRAPHER: The time is</p> <p>20 3:46. We are back on the record.</p> <p>21 EXAMINATION</p> <p>22 BY MR. KIRBY:</p> <p>23 Q. Dr. Blum, I have some questions for</p> <p>24 you, and I'd ask you to first refer to what has</p> <p>25 been marked as Trustee Exhibit 14, which is</p>	<p>1 that's not the case. Because in the spring of</p> <p>2 '94 my brother had a stroke, and my father was</p> <p>3 his caretaker. My father was very much, you</p> <p>4 know, independent and managing his own affairs.</p> <p>5 So I think this, I might want to</p> <p>6 change this to say that we started in 1993 to</p> <p>7 regularly collaborate.</p> <p>8 It was a gradual increase that</p> <p>9 probably didn't start for a number of years</p> <p>10 after that. I mean, there, you know, there are</p> <p>11 letters we have here in '97 that he was</p> <p>12 operating and managing the account and giving</p> <p>13 directions about doing things.</p> <p>14 But I think in the later years, in</p> <p>15 the late 1990s and early 2000s, my brother and</p> <p>16 I would be in regular contact about how my dad</p> <p>17 was doing. My brother would be, you know,</p> <p>18 assisting him, getting, you know, just doing</p> <p>19 things, up to including in the last year really</p> <p>20 stepping up the assistance a lot.</p> <p>21 But he would -- he and I would be</p> <p>22 talking together about how he was doing,</p> <p>23 assisting him in getting checks cashed and</p> <p>24 increasingly just in managing -- in managing</p> <p>25 things. So it was -- it was a gradual</p>
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<p>1 your declaration, and ask you to pull that.</p> <p>2 A. Okay.</p> <p>3 Q. And I'm going to ask you to turn to</p> <p>4 paragraph 4 of the declaration.</p> <p>5 First of all, I'd ask you to read</p> <p>6 that paragraph, and then I'm going to have some</p> <p>7 questions for you about it.</p> <p>8 A. "Both my parents --</p> <p>9 Q. You don't need to read it out loud.</p> <p>10 A. Oh, okay.</p> <p>11 Q. Just read it to yourself --</p> <p>12 A. Okay.</p> <p>13 Q. -- and familiarize yourself. I</p> <p>14 have some questions about it.</p> <p>15 A. (Reviewing document). Okay.</p> <p>16 Q. Okay. The first question I have</p> <p>17 is: In the sentence that says "In addition,</p> <p>18 during my father's later years, beginning after</p> <p>19 my mother's death in 1993, I regularly</p> <p>20 collaborated with Norman in assisting our</p> <p>21 father in connection with the management of his</p> <p>22 whole financial affairs," can you describe for</p> <p>23 me what you mean by "regularly collaborated"?</p> <p>24 A. Well, first off, it sounds like</p> <p>25 starting in 1993 we regularly collaborated, and</p>	<p>1 escalation that probably was in the last four</p> <p>2 or five years of his life.</p> <p>3 Q. Okay. In the next sentence, you</p> <p>4 say:</p> <p>5 "I became familiar with my father's</p> <p>6 estate plan and how he administered his Madoff</p> <p>7 Securities accounts."</p> <p>8 Can you explain to me how you</p> <p>9 became familiar with your father's estate plan?</p> <p>10 A. Well, every time -- I mean, I was</p> <p>11 living in Richmond. He was living in</p> <p>12 Hollywood. So I would go down three or four</p> <p>13 times a year, and it was a regular thing for</p> <p>14 him to just say, "This is where all the</p> <p>15 material is. This is what the accounts are and</p> <p>16 this is what you will do."</p> <p>17 I mean, this, and so he was really</p> <p>18 giving directions about what to do. And it was</p> <p>19 probably during this period that he would also</p> <p>20 talk to me about the Madoff accounts and what</p> <p>21 would be happening with the Madoff accounts.</p> <p>22 So during those communications we</p> <p>23 had that he would just explain things to me.</p> <p>24 It was very important to him that there not be</p> <p>25 a mess after he died.</p>

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20 (Pages 74 to 77)

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<p>1 Q. Okay.</p> <p>2 A. That things be done in an orderly</p> <p>3 fashion.</p> <p>4 Q. Now I'm going to ask you to refer</p> <p>5 to paragraph 8, and just if you would review</p> <p>6 paragraph 8 again and then I have some</p> <p>7 questions for you about paragraph 8.</p> <p>8 A. (Reviewing document). Okay.</p> <p>9 Q. Okay. The first sentence of</p> <p>10 paragraph 8, it says:</p> <p>11 "I am aware of no records of these</p> <p>12 checks being cashed/received by my family."</p> <p>13 These checks meaning the checks --</p> <p>14 are you mean -- do you mean by that those are</p> <p>15 the so-called profit withdrawal checks?</p> <p>16 A. That's what I was referring to,</p> <p>17 yes.</p> <p>18 Q. Okay. And then the second sentence</p> <p>19 says:</p> <p>20 "Further, this makes no sense given</p> <p>21 the way our family managed their accounts."</p> <p>22 Can you explain in your own words</p> <p>23 what that means?</p> <p>24 A. To me, having these huge amount of</p> <p>25 profit withdrawal checks, it was just not -- it</p>	<p>1 that account that you received checks regularly</p> <p>2 on a monthly basis --</p> <p>3 A. No.</p> <p>4 Q. -- that were profit withdrawal?</p> <p>5 A. No, I don't recall that, and that</p> <p>6 would not have fit in with the way I was trying</p> <p>7 to manage that account. I was trying to do</p> <p>8 orderly withdrawals of the amounts of money</p> <p>9 that I needed to take care of the tuition</p> <p>10 expenses. So it didn't make sense to me and I</p> <p>11 have no recollection of receiving, you know,</p> <p>12 checks every month or, you know, checks that I</p> <p>13 didn't request.</p> <p>14 Q. Okay.</p> <p>15 A. Things coming to me that -- out of</p> <p>16 the blue. I mean, it always seemed to me that</p> <p>17 there was an orderly transaction.</p> <p>18 Q. By "orderly transaction" you mean</p> <p>19 what?</p> <p>20 A. I would request and I would</p> <p>21 receive.</p> <p>22 Q. So you would request of Madoff</p> <p>23 Securities?</p> <p>24 A. Yeah.</p> <p>25 Q. And did they did -- they ever send</p>
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<p>1 was chaotic to do something like that. It's</p> <p>2 just -- I can't imagine that my father would</p> <p>3 ever have chosen that as a course of action to</p> <p>4 just have checks coming in all the time.</p> <p>5 So it didn't make any sense to me.</p> <p>6 You know, when I first became aware of this, I</p> <p>7 certainly -- and he never mentioned anything</p> <p>8 like that, you know, when he was talking to me</p> <p>9 about establishing an account. And I think he</p> <p>10 would because that's a piece of work to manage</p> <p>11 that many checks.</p> <p>12 Q. Okay. Let me --</p> <p>13 A. So...</p> <p>14 Q. I'm sorry. Joel, are you finished?</p> <p>15 A. I think so, yeah.</p> <p>16 Q. Okay. In your discussions with</p> <p>17 counsel for the Trustee today, they referred to</p> <p>18 this account which has been identified as the</p> <p>19 CAB Trust account?</p> <p>20 A. Yes.</p> <p>21 Q. Are you familiar with Trustee's</p> <p>22 assertion that there were certain PW</p> <p>23 transactions in that account?</p> <p>24 A. Yes.</p> <p>25 Q. Do you recall in the management of</p>	<p>1 you something without your specific?</p> <p>2 A. Not to my recollection, no.</p> <p>3 Q. Okay. Now, if you would please</p> <p>4 look at paragraph 9 of your declaration and</p> <p>5 just review it, and then I'll ask you some</p> <p>6 questions about it.</p> <p>7 A. (Reviewing document). Okay.</p> <p>8 Q. I'm going to refer you to the first</p> <p>9 two sentences of paragraph 9, which mean let me</p> <p>10 read them and say, it says:</p> <p>11 "With respect my father's account</p> <p>12 1B0033, I understand that the Trustee</p> <p>13 identifies approximately 140 such PW</p> <p>14 transactions representing a total of about</p> <p>15 \$1,377,000. In no instance am I aware that my</p> <p>16 father would have cashed checks in such small</p> <p>17 denominations."</p> <p>18 What's the basis for that</p> <p>19 statement?</p> <p>20 A. It's I just can't imagine that he</p> <p>21 would have done it that way, and had he done it</p> <p>22 that way -- I mean, I just can't imagine that</p> <p>23 he would have done it that way. I mean, he</p> <p>24 would have wanted to have an orderly -- you</p> <p>25 know, if he was going to receive money, he</p>

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<p style="text-align: right;">Page 78</p> <p>1 would have wanted to know that it was coming in 2 an orderly fashion. 3 To do small checks like this, to 4 keep track of it, I just can't imagine that 5 knowing him that he would have done this. I'm 6 certainly not aware of him ever having done 7 this. 8 My brother, who spent a lot of time 9 with him is, you know, said it never happened. 10 So I can't believe it. 11 Q. And with respect to the following 12 sentence: 13 "He used the Madoff Securities 14 account as a retirement planning account, and 15 when he sought to withdraw funds, as he did in 16 1984 to fund my mother's account (1B0336), he 17 withdrew much larger denominations." 18 Next sentence says: 19 "I am aware of no situation where 20 he would have cashed some 140 checks over time 21 almost on a monthly basis. Such a scenario is 22 entirely implausible given how he managed his 23 financial affairs." 24 And what's the basis for that 25 statement?</p>	<p style="text-align: right;">Page 80</p> <p>1 is there anything else that you would change in 2 your declaration? 3 A. No. No. 4 MR. KIRBY: I have no further 5 questions. 6 FURTHER EXAMINATION 7 BY MS. FEIN: 8 Q. Okay. Just a couple of quick 9 things. 10 Did you assist your father with 11 getting checks cashed at any point? 12 A. No. 13 Q. What did you discuss with your 14 father regarding BLMIS in connection with his 15 estate plan? 16 A. Just that it was a part of his 17 estate. It was, you know, it wasn't the major 18 part, but it was a significant part of his 19 estate. And together -- actually, you know, 20 together, the two accounts together made it an 21 even more substantial part of the estate. 22 Q. Did you discuss with your father 23 whether he received checks from BLMIS? 24 A. I don't recall discussing that. 25 MS. FEIN: Okay. Thank you.</p>
<p style="text-align: right;">Page 79</p> <p>1 A. Well, just knowing him that that's 2 not the way he would have done things. I mean, 3 he was an orderly person and he liked to be in 4 control of things and, you know, this is -- it 5 just didn't seem like him -- 6 Q. Right. 7 A. -- to do this. 8 Q. Is there -- in reviewing Exhibit 9 14, is there anything that you would change in 10 Exhibit 14 based upon your discussion? 11 A. Well, what I said about, you know, 12 the -- the regular collaboration. I mean, 13 there was increasing collaboration, but it 14 really was not until later. 15 There is something about the timing 16 of all of these changeovers in the accounts and 17 things like that. I hope I got that right. I 18 don't know if that's entirely right, but that 19 was just sort of the following. I mean, it's 20 very confusing. I mean, there are a lot of 21 accounts and -- and, you know, changes of 22 accounts. 23 So that part was confusing, to me. 24 I mean, they were at his request. 25 Q. So other than as you've explained,</p>	<p style="text-align: right;">Page 81</p> <p>1 MR. KIRBY: I have no further 2 questions. 3 THE WITNESS: Okay. 4 THE VIDEOGRAPHER: The time is 5 -- the time is 3:59. We are going off the 6 record. 7 (Signature having not been 8 waived, the taking of the deposition 9 concluded at 3:59 p.m.) 10 11 * * * 12 13 14 15 16 17 18 19 20 21 22 23 24 25 ERRATA SHEET</p>

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<p>Page No. _____ Line No. _____ Change to: _____</p> <p>Page No. _____ Line No. _____ Change to: _____</p> <p>Page No. _____ Line No. _____ Change to: _____</p> <p>Page No. _____ Line No. _____ Change to: _____</p> <p>Page No. _____ Line No. _____ Change to: _____</p> <p>Page No. _____ Line No. _____ Change to: _____</p> <p>Page No. _____ Line No. _____ Change to: _____</p> <p>Page No. _____ Line No. _____ Change to: _____</p> <p>Page No. _____ Line No. _____ Change to: _____</p> <p>Page No. _____ Line No. _____ Change to: _____</p> <p>Page No. _____ Line No. _____ Change to: _____</p> <p>Page No. _____ Line No. _____ Change to: _____</p> <p>DECLARATION UNDER PENALTY OF PERJURY</p>	<p>UNITED STATES OF AMERICA) DISTRICT OF COLUMBIA) I, DENISE D. VICKERY, the reporter before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was sworn by me; that the testimony of said witness was taken by me in machine shorthand and thereafter transcribed by computer-aided transcription; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, or financially or otherwise interested in the outcome of this action.</p> <p>Notary Public in and for the District of Columbia My Commission expires February 14, 2018</p>
<div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> <div>8</div> <div>9</div> <div>10</div> <div>11</div> <div>12</div> <div>13</div> <div>14</div> <div>15</div> <div>16</div> <div>17</div> <div>18</div> <div>19</div> <div>20</div> <div>21</div> <div>22</div> <div>23</div> <div>24</div> <div>25</div>	
<p>Page 83</p> <p>I declare under penalty of perjury that I have read the entire transcript of my Deposition taken in the captioned matter or the same has been read to me, and the same is true and accurate, save and except for changes and/or corrections, if any, as indicated by me on the DEPOSITION ERRATA SHEET hereof, with the understanding that I offer these changes as if still under oath.</p> <p>Signed on the _____ day of _____, 2016.</p> <p>_____ JOEL ALAN BLUM, M.D.</p> <p>CERTIFICATE OF COURT REPORTER</p>	

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